

STATE OF MICHIGAN
CIRCUIT COURT FOR THE 30TH JUDICIAL CIRCUIT
INGHAM COUNTY

E. L. COX, COMMISSIONER OF INSURANCE
FOR THE STATE OF MICHIGAN,

Petitioner,

v

File No. 98-88265-CR

MICHIGAN HEALTH MAINTENANCE
ORGANIZATION PLANS, INC., a
Michigan health maintenance organization,

Hon. James R. Giddings

A.G. No. 1998053333A

Respondent.

E. John Blanchard (P28881)
Michael J. Fraleigh (P36615)
Attorneys for Petitioner, Commissioner of
the Office of Financial & Insurance Services
Michigan Department of Attorney General
Insurance & Banking Division
P.O. Box 30736
Lansing, Michigan 48909-8236
(517) 373-1160

ORDER FOR
NOTICE OF FILING OF THE PROPOSED REHABILITATION PLAN
PROCEDURES FOR THE APPROVAL OF THE REHABILITATION PLAN
AND
ORDER
ENJOINING OMNICARE'S CREDITORS FROM TAKING ANY
ACTION TO ENFORCE OR COLLECT CLAIMS AGAINST OMNICARE

At a session of said Court held in the Circuit Courtrooms
for the County of Ingham, State of Michigan
on the 11th day of March, 2002

PRESENT: HONORABLE JAMES R. GIDDINGS
CIRCUIT JUDGE

Whereas, the Rehabilitator has filed a Petition for Approval of the Notice Of Hearing And Procedures For The Approval Of The Rehabilitation Plan and Enjoining OmniCare's Creditors From Taking Any Action To Enforce or Collect Claims Against OmniCare,

The Court finds:

1. Based on MCL 500.8103(b), a creditor is a person having a claim against Michigan Health Maintenance Organization Plans, Inc. (OmniCare), whether matured or unmatured, liquidated or unliquidated, secured or unsecured, absolute, fixed, or contingent.

2. Based on MCL 500.8105(1), the Court is authorized to enter an Order it considers to be necessary and proper to prevent:

- a. Interference with the Rehabilitator or with the Rehabilitation proceedings;
- b. The institution or further prosecution of any actions or proceedings against OmniCare, its assets, or its members;
- c. The obtaining of preferences, judgments, attachments, garnishments, or liens against OmniCare, its assets, or its members;
- d. The levying of execution against OmniCare, its assets, or its members;
- e. Any other threatened or contemplated action that might lessen the value of OmniCare's assets or prejudice the rights of its members, creditors, or the administration of this rehabilitation proceeding.

3. The Deputy Rehabilitator requested OmniCare's provider creditors to provide verification of their claims for inclusion in the Rehabilitation Plan. The request was made to OmniCare's provider creditors in December 2001.

4. Some of OmniCare's creditors have filed, pursued, or continued actions to recover claims against OmniCare. This practice is detrimental to the efficient and orderly rehabilitation of OmniCare.

5. All creditor claims against OmniCare are within the jurisdiction of this Court and will be determined, resolved, paid, and/or discharged, in whole or in part, according to the terms and conditions of an approved Rehabilitation Plan.

6. MCL 500.8114(2) in conjunction with MCL 500.8121(1)(m) authorizes the Rehabilitator to: "[P]rosecute any action that may exist on behalf of creditors, members, policyholders, or shareholders of the insurer against an officer of the insurer or another person."

Therefore, **IT IS HEREBY ORDERED** that:

1. OmniCare shall serve on each known creditor a copy of the combined Notice Of Deadline To File Objections To the Proposed Rehabilitation Plan and Notice Of Hearing On The Rehabilitator's Petition To Approve the Proposed Rehabilitation Plan that is Attachment 1 to this Order.

2. OmniCare shall serve a copy of the proposed Rehabilitation Plan on each of OmniCare's known creditors.

3. Any documents and notices required to be served on creditors by this Order may, at the Rehabilitator's discretion, be provided in electronic format by mailing a compact disk (CD) or computer disk containing the documents and notices to creditors.

4. OmniCare shall publish the Notice attached hereto as Attachment 2 on 3 consecutive days, at least 21 days prior to the objection deadline, in a newspaper general circulation in Michigan.

5. A creditor shall be defined as set forth in MCL 500.8103(b).

6. Pursuant to MCL 500.8105(1) and MCL 500.8114(2), all creditors of OmniCare are permanently enjoined from:

- a. Instituting or continuing to prosecute any actions or proceedings to determine, enforce, collect, or assert any claims against OmniCare, its assets, its members, its officers, its directors, or its employees
- b. Instituting or continuing to prosecute any actions or proceedings to determine, enforce, collect, or assert any claims against the Rehabilitator, his agents, or the State of Michigan and its officers, agencies or departments for claims or actions arising out of or related to claims against OmniCare or proceedings under MCL 500.8101 *et seq.*;
- c. Obtaining preferences, judgments, attachments, garnishments, or liens against OmniCare, its assets, its members, its officers, its directors, or its employees;
- d. Levying of execution against OmniCare, its assets, its members, its officers, its directors, or its employees;
- e. Taking any other action that may lessen the value of OmniCare's assets or prejudice the rights of OmniCare's creditors as a whole, its members or the administration of this rehabilitation proceeding.

7. All creditor claims against OmniCare are within the exclusive jurisdiction of this Court and will be determined, resolved, paid, and/or discharged, in whole or in part, according to the terms and conditions of an approved Rehabilitation Plan.

8. Any and all claims by creditors against OmniCare must be raised or asserted within the rehabilitation proceedings before this Court and are subject to this Court's Orders regarding the submission and determination of claims.

9. On or before 5:00 p.m. April 11, 2001, each creditor shall, in writing, file with the Court and serve on the Rehabilitator:

- a. Any objections to the proposed Rehabilitation Plan, including all legal, equitable, and factual basis for the objections and legible copies of all documents supporting the objection.
- b. Supporting documents, which individually or collectively, exceed 25 pages in length shall be provided in electronic format on a compact disk (CD) or computer disk in format usable by and acceptable to the Rehabilitator and the Court.

10. Objections to the proposed Rehabilitation Plan not filed with the Court and received by the Rehabilitator by 5:00 p.m. Thursday, April 11, 2002 are waived, including objections to the treatment of a claim or the failure to list or provide for the payment of a claim.

11. Objections to the proposed Rehabilitation Plan shall reference *E. L. COX, COMMISSIONER OF INSURANCE FOR THE STATE OF MICHIGAN, v MICHIGAN HEALTH MAINTENANCE ORGANIZATION PLANS, INC., a Michigan health maintenance organization*, Ingham County Circuit Court File No. 98-88265-CR and shall be:

- a. Served on the Rehabilitator in care of:

Michael J. Fraleigh
Assistant Attorney General
P.O. Box 30736
Lansing, MI 48909-8236

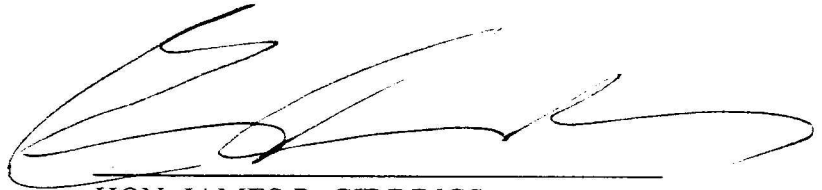
And

- b. Filed with the:

Ingham County Circuit Court Clerk
Veterans Memorial Courthouse
313 W. Kalamazoo – P.O. Box 40771
Lansing, MI 48901-7971

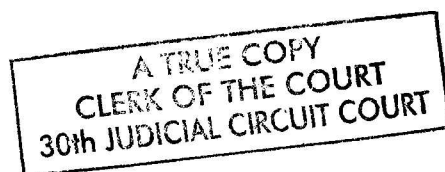
12. The hearing on the Rehabilitator's Petition to Approve the proposed Rehabilitation Plan and all timely filed objections is scheduled for April 25, 2002 at 1:30 pm o'clock or as soon thereafter as the parties may be heard by the Court. This hearing may be adjourned or continued to a latter date. Notice of an adjourned or continued date shall be posted on the OFIS website.

13. To the extent they are not in conflict with this Order, the Court's July 31, 2001 Preliminary Order of Rehabilitation and Injunctive Relief and September 11, 2001 Order of Rehabilitation and Injunctive Relief shall remain in full force and effect.



HON. JAMES R. GIDDINGS
CIRCUIT JUDGE

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ATTACHMENT 1

STATE OF MICHIGAN
CIRCUIT COURT FOR THE 30TH JUDICIAL CIRCUIT
INGHAM COUNTY

E. L. COX, COMMISSIONER OF INSURANCE
FOR THE STATE OF MICHIGAN,

Petitioner,

v

File No. 98-88265-CR

MICHIGAN HEALTH MAINTENANCE
ORGANIZATION PLANS, INC., a
Michigan health maintenance organization,

Hon. James R. Giddings

A.G. No. 1998053333A

Respondent.

E. John Blanchard (P28881)
Michael J. Fraleigh (P36615)
Attorneys for Petitioner, Commissioner of
the Office of Financial & Insurance Services
Michigan Department of Attorney General
Insurance & Banking Division
P.O. Box 30736
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NOTICE OF DEADLINE TO FILE OBJECTIONS
TO PROPOSED REHABILITATION PLAN

AND

NOTICE OF HEARING ON THE REHABILITATOR'S
PETITION TO APPROVE PROPOSED REHABILITATION PLAN

**NOTICE OF DEADLINE TO FILE OBJECTIONS
TO PROPOSED REHABILITATION PLAN**

On or before 5:00 p.m. on _____, 2002 any objections to the proposed Plan of Rehabilitation in this case must be:

a. Filed with:

Ingham County Circuit Court Clerk
Veterans Memorial Courthouse
313 W. Kalamazoo – P.O. BOX 40771
Lansing, Michigan 48901-7971

And

b. Served on the Rehabilitator in care of:

Michael J. Fraleigh
Assistant Attorney General
P.O. Box 30736
Lansing, MI 48909-8236

The failure to timely file written objections to the proposed Rehabilitation Plan constitutes a waiver of any objections to the proposed Rehabilitation Plan, including objections to the treatment of a claim or the failure to list or provide for the payment of a claim.

Any objections filed must conform to the Court's Order Providing For: Notice Of Filing Of The Proposed Rehabilitation Plan Procedures For The Approval Of The Rehabilitation Plan And Enjoining OmniCare's Creditors From Taking Any Action To Enforce Or Collect Claims Against OmniCare a copy of which has been provided with this Notice.

NOTICE OF HEARING ON PROPOSED REHABILITATION PLAN

PLEASE TAKE NOTICE that the Rehabilitator's Petition for Approval of Proposed Plan of Rehabilitation, will be brought on for hearing in the above-entitled cause on

_____, 2002 at _____ o'clock, or as soon thereafter as the parties may be heard, before the Honorable James R. Giddings. This hearing may be adjourned or continued to a latter date. Notice of an adjourned or continued date shall be posted on OFIS's website, www.commerce.state.mi.us/ofis/.

Respectfully submitted,

JENNIFER M. GRANHOLM
Attorney General

Michael J. Fraleigh (P36615)
Assistant Attorney General
Insurance & Banking Division
P.O. Box 30736
Lansing, MI 48909-8236
(517) 373-1160

Dated: March _____, 2002
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ATTACHMENT 2

NOTICE TO ALL CREDITORS OF OMNICARE HEALTH PLANS

The Rehabilitator for OmniCare Health Care Corporation (OmniCare) has filed a proposed Rehabilitation Plan with Ingham County Circuit Court. When approved by the Ingham County Circuit Court the proposed Rehabilitation Plan will be a final determination of OmniCare's liabilities to its creditors and will discharge OmniCare's liability for all creditor claims, except as provided for in the Rehabilitation Plan approved by the Court.

If there are objections to the proposed Rehabilitation Plan they must be filed, in writing, with Ingham County Circuit Court, Veterans Memorial Courthouse, 313 W. Kalamazoo, P.O. Box 40771, Lansing, Michigan 48901-7971, and served on the Rehabilitator in care of: Assistant Attorney General, Michael J. Fraleigh, P.O. Box 30736, Lansing, Michigan 48909-8236 on or before 5:00 p.m. _____, 2002.

Any objections not filed with the Court and served on the Rehabilitator by the deadline are waived, including objections to the treatment of a claim or the failure to list or provide for the payment of a claim. Supporting documents, that individually or collectively, exceed 25 pages in length must be provided to the Court and the Rehabilitator on a compact disk (CD) or computer disk in a format acceptable to the Court and the Rehabilitator.

The hearing on the proposed Rehabilitation Plan will be held before the Honorable James R. Giddings Ingham County Circuit Court at _____ on _____, 2002. This hearing may be adjourned or continued to a latter date.

A copy of the proposed Rehabilitation Plan may be obtained from the Office of Financial and Insurance Services (OFIS) website (www.commerce.state.mi.us/ofis/) or by contacting OFIS at 877-999-6442. Court orders, notices, and pleadings related to this matter will be posted on the OFIS website.

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